

Panama Canal Fireside Chat - 2/1/78 [3]

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Penultimate
draft

21

1/30/78

Draft #5

~~More Than 130 years ago the United States~~
~~began to negotiate the right for transportation across the~~
~~Central American isthmus,~~
and Seventy five years ago, our nation signed a treaty

which gave us rights to build a canal across Panama, and
to take the historic step of joining the Atlantic and
Pacific oceans. Although the treaty was drafted here in
our country, and was neither seen nor signed by any

Panamanian, the results of the agreement have been of
great benefit to ourselves, to the people of Panama, and

to other nations of the world who navigate the ^{high} seas.

Contrary to some claims and beliefs.

~~Under that treaty~~, we did not buy the Panama Canal

Zone. We did not pay for it. We did not acquire sovereignty
over it. We agreed to pay Panama a fee each year for the
right to use the zone, ~~and we did have~~ ^{and we did have gained} the right to build, operate
and to defend the Canal.

^{building}
The ~~construction~~ of the canal was one of the greatest
engineering feats of history. ^{Although massive in construction relatively} It was simple in design,

^{it} and ^{and efficient} has been reliable in operation.

We Americans
are justly & deeply proud of this great achievement.

[I am proud of the Panama Canal, as an American,
but even more as a human being, for I know what the
people who built it were up against -- the French who
preceded us, the Americans, the armies of black men and
women from Jamaica and Barbados, all the many thousands
from every corner of the world who went into the jungles
to do the work.]

The Canal has ^{also} been a source of pride -- but ^{also a source} also of some
discontent. ^{to the people of Panama} Because we con-
trolled a ten mile wide strip ^{of land} across the heart of ^{The Republic of} Panama
and because ^{original} terms of the agreement were considered ^{by them to be} unfair
and highly favorable to the United States, the people of
Panama have never been satisfied with the treaty.

Last summer, after 14 years of negotiation -- under
two Democratic Presidents and two Republican Presidents --
we reached an agreement that is fair ^{and beneficial} to both countries.
*The United States Senate is now debating
whether this agreement should be ratified.*

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Throughout the negotiations, we were determined that our national security interests would be protected; that the Canal would always be open, neutral, and available to ships of all nations; that our ships would have the right to go to the head of the line for priority passage through the Canal in time of need or emergency; and that our military forces would have the permanent right to defend the Canal if it should ever be in danger.

The new Treaties meet all of these requirements,
~~[because of the careful, thorough, mutually advantageous negotiations that produced them.]~~

Let me outline the terms of the agreement:

There are two Treaties, one covering the remaining 22 years of this century, and the other guaranteeing the openness and neutrality of the Canal after the year 1999.

For the rest of this century we will operate the Canal jointly with the Panamanians, under policies set by

a nine-person board of directors. Five members will be from the United States, ^{and} four from Panama. Within the area of the present Canal Zone, we ^{have the right to} ~~can~~ select whatever lands and waters our military and civilian forces need to maintain, operate, and defend the canal.

About 75 per cent of those who ^{now} maintain and operate the Canal are ~~now~~ Panamanians; over the next 22 years, ^{as we manage to operate the Canal together,} this percentage is expected to increase. The Americans who work ^{on the Canal} ~~in the zone~~ will have their rights of employment, promotion, and retirement carefully protected. It is important to note that the labor unions which represent these American workers support the new Treaties.

^{It is not true that we are paying Panama to take the canal.}
~~Under the new Treaties, we~~ will share with Panama ^{some of} ~~the fees that the Canal takes in.~~ ^{paid by shippers who use} As in the past, the Canal should continue to be self supporting. ~~The U.S.~~

~~government will not pay any funds to Panama, other than
continuing the normal tonnage fees for passage through
the Canal.~~

This is not a partisan issue.

← The Treaties are backed by President Ford and by
every living former Secretary of State. ~~Note: No one~~

~~has contacted Nixon. Do we want to??~~

And the treaties
They are supported

by every member of the Joint Chiefs of Staff, the top *military*
leaders of the United States Army, Navy, Air Force and
responsible men
Marines, ~~people~~ whose life's work is the defense of this
Nation and the preservation of our security. They are

strongly endorsed by our business and professional leaders,

and especially by those who *recognize* *good will and*
~~realize~~ the benefits of *trade*

with other nations in this hemisphere. They are endorsed

by the Senate leadership, and *overwhelmingly*
by the Senate Foreign Relations

Committee, which last week moved us closer to ratification.

→

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They are opposed by ^{some} enemies of the United States
in Latin America, who would like to see disorder in
Panama and a disruption of our political, economic and
military alliances with our friends in Central and South
America and in the Carribbean.

I know that
The Treaties ~~are~~ also ^{have been} opposed by many Americans.

Much -- too much -- of that opposition is based on mis-
understanding and misinformation. I have learned that
when the full terms of the agreement are known, most
people are convinced that the national interests of our
country will be best served by ratifying the agreement.

~~I have come here tonight to clarify that misunderstanding,~~
^{I want to state the facts,}
answer the most ^{serious} ~~common of~~ questions about the Treaties, and
^{that the treaties should}
tell you the reasons I feel ~~they must~~ be approved.

The most important reason -- the only reason --
to ratify the Treaties is that they are in our highest

national interest, and will strengthen our position in the world. Our trade opportunities will be improved. We will demonstrate that as a large and powerful nation we are able to deal fairly and honorably with a proud but smaller nation. We will be honoring our commitment to ^{all} ~~the other~~ nations of the world that the Panama Canal will be open and available for use by their ships -- at a reasonable and competitive cost -- both now and in the future.

Let me answer specifically the most common questions about the Treaties.

Does *have the right*
~~One question is whether our nation will be able to protect~~
against armed attack or other actions which
and defend the Canal, under these new arrangements, so that it
threaten the security of the Panama Canal or of ships transiting it?
~~always remains open to our shipping.~~

is yes, and the both treaties go and in
The answer ^{is} contained in the ~~Treaty on Permanent~~
The statement of understanding between the two leaders
~~Neutrality, which gives us the right, forever, to defend~~
of our two nations.

The first treaty says:

" The United States of America and the Republic of Panama commit themselves to protect and defend the Panama Canal. Each party shall act, in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or of ships transiting it "

The Neutrality Treaty says:

" The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral. "

The Statement of Understanding says:

" Under (the Neutrality Treaty) Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently will have the right to act against any aggression

or threat directed against the Canal or
against the peaceful transit of vessels
through the Canal."

Of course, This does not give the
United States the right to intervene in
the internal affairs of Panama, nor shall
our military action be directed against
the territorial integrity or political independence
of Panama.

~~the Canal against attack by an alien country or by
misguided agitators.~~

Military experts disagree on how many troops it
would take to ^{ward off an attack.} ~~defend the Canal.~~ Estimates range from
50,000 to more than 100,000, ^{but} I would not hesitate to
deploy whatever armed forces are necessary to defend
the Canal.

[Who would be the likely aggressor? It wouldn't
be the government of Russia; it wouldn't be the govern-
ment of Cuba; it wouldn't be the government of Panama. It
would most likely be young, idealistic, highly patriotic --
perhaps misguided -- Panamanians, who want to have control
over their territory.]

I ~~don't~~ have ^{no} ~~any~~ doubt that ^{even} ~~in a~~ ^{long and protracted} ~~fight~~ ^{combat} we could

~~beat them.~~

~~We could defend the Panama Canal,~~ ^{in combat,} ~~and if it is~~

~~attacked by any means, we will~~ ^{defend it.} ~~but even~~

if we ~~joined~~ the Panamanian ^{armed forces joined with} ~~soldiers as~~
us as brothers against a common enemy,

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~~But~~ there is a better option, ^{the jungles of} ~~than war in Panama.~~

We would serve our interests better by ^{implementing the} ~~not facing~~
~~new Treaties, an~~ ^{will help to avoid any}
~~this prospect, not taking actions that would bring about an~~
attack on the Panama Canal.

What we want is the ^{permanent} right to use the Canal -- and we
can defend this right best through these Treaties -- through
a real ^{cooperation} ~~partnership~~ with Panama. The citizens of Panama and
their government will be overwhelmingly in support of ~~the~~ ^{this}
new partnership, and the neutrality treaty will be signed
by many other nations.

The new Treaties ^{will naturally} change Panama from a passive and
sometimes ^{deeply concerned} ~~hostile~~ bystander into an active ^{and} interested
partner. The agreement leads to cooperation, not confrontation.

~~A second question is whether our nation should "give
back" the Canal Zone, which many people believe we own.~~

Another question ^{the} "Why should we give away ~~our~~ Panama Canal Zone, which many people think we own?"
I must repeat a very important point: we do not
^{an earlier and}
own the Panama Canal Zone -- we have never owned it. We
have only had the right to use it.

The Canal Zone cannot be compared with ~~actual~~ United States territory. We bought Alaska from the Russians, and no one has ever doubted that we own it. We bought the Louisiana Territories from France, and it is an integral part of the United States.

From the beginning we have paid rent to Panama to use the land. You do not pay rent on your own land. The Canal Zone has always been Panamanian territory. ^{The U.S. Supreme Court and previous American Presidents have acknowledged} We cannot ^{Panama's Sovereignty over the} give back land we have never owned. ^{Canal Zone.}

~~The ownership of ^{property} the Canal is not nearly so important~~

~~[to me] as the openness of the Canal and its free access to ships of all nations -- which these Treaties ensure.~~

^{another question:}
There is ~~a third misunderstanding, about whether~~ ^{Can} our ^{need or} ships, in time of emergency, ~~would be able to~~ get through the Canal immediately, instead of waiting in line?

The Treaties answer that as clearly as possible, by guaranteeing that our ships will have "expeditious transit" through the Canal. To make sure there could be no possible

disagreement about what "expeditious transit" means, General

~~Torrijos and I signed a joint Statement, which spells out~~ *issued the* ~~our right to go to the head of the line.~~ *very clearly*

~~I'd like to read you the exact language. That~~
the joint
statement says that expeditious transit, and I quote, "is intended ... to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly."

Will
~~A fourth question is about the Treaties' effects on~~
our standing in Latin America -- ~~whether they will~~ *they* create a "power vacuum," which our enemies will fill.?

In fact, the Treaties will increase our nation's influence in this hemisphere.

Rather than giving our enemies an opportunity to *mistrust and disagreement,* exploit, the Treaties will remove a major source of anti-American feeling.

^{agreement has}
The new ~~Treaties~~ have already provided vivid proof

to the people of this hemisphere that a new era of friendship

and cooperation is beginning, and that the last ^{remnant} ~~vestige~~ of ^{alleged}
^{American} colonialism has been removed.

^ Last fall I ^{met individually} ~~spent dozens of hours~~ talking with the ^{The}

leaders of 19 other countries in this hemisphere. I saw

clearly ^{new} There is a new sense of equality, a sense of trust, ^{new}
^{mutual} a sense of ^{respect and friendship} brotherhood that exist because of the Panama

Canal Treaties. This opens up a ^{new opportunity} ~~tremendous vista~~ for us,

in goodwill, trade, jobs, exports, and political cooperation.

If the Treaties should ^{now} be rejected, ^{this} ~~all that~~ would ~~be~~
^{disappointment and despair among our good neighbors would}
be lost, and ^{make us} ~~we would be much worse off~~ than had we never

^{at all.}
begun the negotiations ~~14 years ago.~~

^{Agitators and dissident groups}

^{The} ~~communists~~ know full well that their best

opportunity to gain influence would come through disruption

of our ~~own~~ friendly relations with Panama and the other

nations of the Western hemisphere.

In the peaceful struggle against ~~an~~ alien ideologies like communism, these Treaties are a step in the right

direction. ^{Nothing} I ~~don't think anything~~ could strengthen ^{our competitors} communism ^{and adversaries} in this hemisphere more than for us to reject this ^{agreement} ~~Treaty~~.

~~We would have almost an impossible task of having the friendship and support as a democracy of the weak and struggling nations of this hemisphere if we reject that Treaty.~~

^{What if} The fifth question is about provisions for a new sea-level Canal ^{is built in the future?}

The Treaties say that if we want to build a

Canal, we will build it in Panama -- and if a Canal is to be

built in Panama, we will have the right to participate in the

project. [★] ~~[Some people have asked whether this clause restricts our options.]~~

~~[In fact]~~ This is a clear benefit to us, for it ensures that ^{twelve} ~~five or ten or fifteen~~ years from now, no unfriendly but wealthy power will be able to bid with the Panamanians to

build a sea-level Canal, bypass the existing Canal, perhaps leaving

^{that} ^{outside} ^{usable waterway} ~~leave some other nation with the only access that was still in~~

~~operation~~ through the Isthmus.

The United States
That is why ~~A~~ requested this clause in the Treaty,
which the Panamanians reluctantly ~~agreed to~~ *accepted.*

X
For more than a hundred years, studies have shown that
the best site for a possible sea-level canal would be through
the present territory of the Republic of Panama. During the
past decade an extensive study by the United States *government again* confirmed
this fact.

~~A sixth question concerns the cost of these Treaties~~
~~whether we~~ *we* ~~are~~ paying Panama to take the Canal?

We are not.

The United States' original financial investment in

get from
Linowitz the Canal was about \$ _____ million. Since then we have

received, in fees from the Canal, about \$ _____ million. *Any payments* ~~The~~

~~fees we will share with to Panama~~
~~payments that Panama receives will come from revenues the~~ *payments by ships*
which use the Canal -- paid
~~Canal collects~~ *fee* on a normal commercial basis. Not one

American *will be paid.*
dollar of ~~our~~ tax money ~~is involved.~~

What about

~~The next question is about the stability and the~~
capability of the Panamanian government? *Do the people* ~~and whether we~~
themselves support the new agreement?
~~can be sure the government will keep it open, efficient,~~

The present leader of Panama has been in office neutral, and secure for more than nine years. Democratic elections will be held this August to choose the members of Congress the Panamanian Congress. In the past,
Regimes have often changed in Panama -- but for 75 years,

no Panamanian government has wanted to close the Canal.

- perhaps
Panama wants the Canal open and neutral, even more than we do.

The Canal's continued operation may be important to us,

but it is much more than that to Panama.

To Panama, it is crucial.

The ~~only~~ threat of closing the Canal comes not from ~~the any~~ government of Panama, but from ^{*misguided*} dissidents who ^{*may be dissatisfied*} ~~are frustrated~~ by the ^{*terms of the*} old Treaty.

And the only threat to efficient operation of the Canal would be our short-sighted refusal to train Panamanians to run it.

Although the Canal is an engineering feat of great complexity, it is superbly designed for simple operation -- and we have 22 years, during which we and the Panamanians will run the Canal jointly, to be sure they know how.

*This is
from
Mc Callagh*
↓

The Canal is a bridge of water, and as such dependent upon fine balances of natural resources, complex engineering, and a large dedicated personnel with innumerable special skills. Ships are carried up and over the land barrier, lifted 85 feet above sea level through a system of giant locks, these equipped with tremendous steel gates, ingenious safety mechanisms, control devices, literally thousands of moving parts. The Canal is a huge hydroelectric dam and power station, a water utility, a railroad, port facilities, hospitals, medical research laboratories. And when the time comes, the Canal must be turned over to a generation of Panamanians who don't just know how to run the Canal, but who have technology in their bones. Their technical-managerial competence must be second to none -- and we can be sure it will be.

In an open and free referendum last October which was monitored by the Organization of American States, the people of Panama gave the ^{new} treaties their overwhelming support.

check
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There is a final question, about
the deeper meaning and ~~signification~~ of the healing
themselves - to us and to Panama.

David McCallough, author of "The
Path Between Two Seas" wrote me a letter
about the Panama Canal project. Let me
read part of his letter.

"The Canal is something we made and
have fooled after these many years; it is
'ours' in that sense, which is very different
from just ownership. -- ~~So~~

"So when we talk of the canal, like the
we are old, young, for or against the treaty,
we are talking about ~~the~~ very elemental feelings
about our own strength. --

"Still, we want, all of us, a more
humane and stable world. We believe in
good will, we need a strength. --

"This is something we do because we
know it is right. This is not merely the
simplest way to 'save the canal', it is the
strong, positive act of a skill-confident,
skill-creative, skill-purposive people. --

"...this... can become a source of national pride and self-respect in much the way building the canal was. It is the spirit in which we act that is so very important.

"I think of what Theodore Roosevelt might say were he alive today... He saw history itself as a force and the history of our own time and the changes it has brought would not be lost on him... change was inevitable, he knew, and necessary. Change was growth. The true Conservative, he once remarked, keeps his face to the future.

"It is hard to picture him dismissing or discounting such testimony to the military value of treaties as voiced by the Joint Chiefs.

"But were he to endorse the treaties, as I am quite sure he would, it would be mainly because he would see the decision as one by which we are demonstrating the kind of power we wish to be. For Roosevelt the Canal was a gateway to the very different and uncertain new world of the new twentieth century, a world in which the United States had no choice but to plan a major part

"We cannot avoid meeting great issues," Theodore Roosevelt said, "all that we can determine for ourselves is whether we shall meet them well or ill."

"The Panama Canal is a vast, heroic expression of that age old desire to bridge the divide and bring people closer together. -- This too is what the treaties are all about."

In This historic decision we can sense what Roosevelt called "the lift toward nobler things which marks a great and generous people."

THE WHITE HOUSE

WASHINGTON

January 30, 1978

Mr. President --

Everything here has a traceable lineal descent from:

1. Your past briefings
2. Your notes this morning
3. Sections you underlined on the previous draft
4. Letters and testimony from Sol Linowitz and David McCullough.

If this rambles, it's because I wanted to include ample portions of your briefing remarks.

Tony Lake called this morning to say that he has written two more drafts, which Vance has approved. Do you want them?

Jim Fallows

Jim Fallows

Seventy five years ago, our nation signed a treaty which gave us rights to build a canal across Panama, and to take the historic step of joining the Atlantic and Pacific oceans. Although the treaty was drafted here in our country, and was neither seen nor signed by any Panamanian, the results of the agreement have been a great benefit to ourselves, to the people of Panama, and to other nations of the world who navigate the seas.

Under that treaty, we did not buy the Panama Canal Zone. We did not pay for it. We did not acquire sovereignty over it. We agreed to pay Panama a fee each year for the right to use the zone, and we had the right to build, operate and to defend the Canal.

The construction of the canal was one of the greatest engineering feats of history. It was simple in design, and has been reliable in operation.

I am proud of the Panama Canal, as an American, but even more as a human being, for I know what the people who built it were up against -- the French who preceded us, the Americans, the armies of black men and women from Jamaica and Barbados, all the many thousands from every corner of the world who went into the jungles to do the work.

The Canal has been a source of pride -- but also of discontent -- to the people of Panama. Because we controlled a ten mile wide strip across the heart of Panama and because terms of the agreement were considered unfair and highly favorable to the United States, the people of Panama have never been satisfied with the treaty.

Last summer, after 14 years of negotiation -- under two Democratic Presidents and two Republican Presidents -- we reached an agreement that is fair to both countries.

Throughout the negotiations, we were determined that our national security interests would be protected; that the Canal would always be open, neutral, and available to ships of all nations; that our ships would have the right to go to the head of the line for priority passage through the Canal in time of need or emergency; and that our military forces would have the permanent right to defend the Canal if it should ever be in danger.

The new Treaties meet all of these requirements, because of the careful, thorough, mutually advantageous negotiations that produced them.

Let me outline the terms of the agreement:

There are two Treaties, one covering the remaining 21 years of this century, and the other guaranteeing the openness and neutrality of the Canal after the year 1999.

For the rest of this century we will operate the Canal jointly with the Panamanians, under policies set by

a nine-person board of directors. Five members will be from the United States, four from Panama. Within the area of the present Canal Zone, we can select whatever lands and waters our military and civilian forces need to maintain, operate, and defend the canal.

About 75 per cent of those who maintain and operate the Canal are now Panamanians; over the next 22 years, this percentage is expected to increase. The Americans who work in the Zone will have their rights of employment, promotion, and retirement carefully protected. It is important to note that the labor unions which represent these American workers support the new Treaties.

Under the new Treaties, we will share with Panama the fees that the Canal takes in. As in the past, the Canal should continue to be self supporting. The U.S.

government will not pay any funds to Panama, other than continuing the normal tonnage fees for passage through the Canal.

The Treaties are backed by President Ford and by every living former Secretary of State. Note: No one has contacted Nixon. Do we want to?⁷ They are supported by every member of the Joint Chiefs of Staff, the top leaders of the United States Army, Navy, Air Force and Marines, people whose life's work is the defense of this Nation and the preservation of our security. They are strongly endorsed by our business and professional leaders, and especially by those who realize the benefits of trade with other nations in this hemisphere. They are endorsed by the Senate leadership, and by the Senate Foreign Relations Committee, which last week moved us closer to ratification.

They are opposed by enemies of the United States in Latin America, who would like to see disorder in Panama and a disruption of our political, economic and military alliances with our friends in Central and South America and in the Carribbean.

The Treaties are also opposed by many Americans. Much -- too much -- of that opposition is based on misunderstanding and misinformation. I have learned that when the full terms of the agreement are known, most people are convinced that the national interests of our country will be best served by ratifying the agreement.

I have come here tonight to clarify that misunderstanding, answer the most common of questions about the Treaties, and tell you the reasons I feel they must be approved.

The most important reason -- the only reason -- to ratify the Treaties is that they are in our highest

national interest, and will strengthen our position in the world. Our trade opportunities will be improved. We will demonstrate that as a large and powerful nation we are able to deal fairly and honorably with a proud but smaller nation. We will be honoring our commitment to the other nations of the world that the Panama Canal will be open and available for use by their ships -- at a reasonable and competitive cost -- both now and in the future.

Let me answer specifically the most common questions about the Treaties.

One question is whether our nation will be able to defend the Canal under these new arrangements, so that it always remains open to our shipping.

The answer is contained in the Treaty on Permanent Neutrality, which gives us the right, forever, to defend

the Canal against attack by an alien country or by misguided agitators.

Military experts disagree on how many troops it would take to defend the Canal. Estimates range from 50,000 to more than 100,000. I would not hesitate to deploy whatever armed forces are necessary to defend the Canal.

Who would be the likely aggressor? It wouldn't be the government of Russia; it wouldn't be the government of Cuba; it wouldn't be the government of Panama. It would most likely be young, idealistic, highly patriotic -- perhaps misguided -- Panamanians, who want to have control over their territory.

I don't have any doubt that in a fight we could beat them.

We could defend the Panama Canal, and if it is attacked by any means, we will.

But there is a better option.

We would serve our interests better by not facing this prospect, not taking actions that would bring about an attack on the Panama Canal.

What we want is the right to use the Canal -- and we can defend this right best through these Treaties -- through a real partnership with Panama. The citizens of Panama and their government will be overwhelmingly in support of the new partnership, and the neutrality treaty will be signed by many other nations.

The new Treaties change Panama from a passive and sometimes hostile bystander into an active, interested partner. The agreement leads to cooperation, not confrontation.

A second question is whether our nation should "give back" the Canal Zone, which many people believe we own.

I must repeat a very important point: we do not own the Panama Canal Zone -- we have never owned it. We have only had the right to use it.

The Canal Zone cannot be compared with actual United States territory. We bought Alaska from the Russians, and no one has ever doubted that we own it. We bought the Louisiana Territories from France, and it is an integral part of the United States.

From the beginning we have paid rent to Panama to use the land. You do not pay rent on your own land. The Canal Zone has always been Panamanian territory. We cannot give back land we have never owned.

The ownership of the Canal is not nearly so important to me as the openness of the Canal and its free access to ships of all nations -- which these Treaties ensure.

There is a third misunderstanding, about whether our ships, in time of emergency, would be able to get through the Canal immediately, instead of waiting in line.

The Treaties answer that as clearly as possible, by guaranteeing that our ships will have "expeditious transit" through the Canal. To make sure there could be no possible

disagreement about what "expeditious transit" means, General Torrijos and I signed a Joint Statement, which spells out our right to go to the head of the line.

I'd like to read you the exact language. That statement says that expeditious transit, and I quote, "is intended ... to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly."

A fourth question is about the Treaties' effects on our standing in Latin America -- whether they will create a "power vacuum," which our enemies will fill.

In fact, the Treaties will increase our nation's influence in this hemisphere.

Rather than giving our enemies an opportunity to exploit, the Treaties will remove a major source of anti-American feeling.

The new Treaties have already provided vivid proof to the people of this hemisphere that a new era of friendship and cooperation is beginning, and that the last vestige of colonialism has been removed.

Last fall I spent dozens of hours talking with the leaders of 19 other countries in this hemisphere. I saw clearly there is a new sense of equality, a sense of trust, a sense of brotherhood that exist because of the Panama Canal Treaties. This opens up a tremendous vista for us, in goodwill, trade, jobs, exports, and political cooperation.

If the Treaties should be rejected, all that would be lost, and we would be much worse off than had we never begun the negotiations 14 years ago.

The communists know full well that their best opportunity to gain influence would come through disruption of our own friendly relations with Panama and the other nations of the Western hemisphere.

In the peaceful struggle against an alien ideology like communism, these Treaties are a step in the right direction. I don't think anything could strengthen communism in this hemisphere more than for us to reject this Treaty. We would have almost an impossible task of having the friendship and support as a democracy of the weak and struggling nations of this hemisphere if we reject that Treaty.

The fifth question is about provisions for a new sea-level Canal. The Treaties say that if we want to build a Canal, we will build it in Panama -- and if a Canal is to be built in Panama, we will have the right to participate in the project. Some people have asked whether this clause restricts our options.

In fact, this is a clear benefit to us, for it ensures that five or ten or fifteen years from now, no unfriendly but wealthy power will be able to bid with the Panamanians to build a sea-level Canal, bypass the existing Canal, perhaps leave some other nation with the only access that was still in operation through the Isthmus.

That is why I requested this clause in the Treaty, which the Panamanians reluctantly agreed to.

For more than a hundred years, studies have shown that the best site for a possible sea-level canal would be through the present territory of the Republic of Panama. During the past decade an extensive study by the United States confirmed this fact.

A sixth question concerns the cost of these Treaties whether we are paying Panama to take the Canal.

We are not.

The United States' original financial investment in the Canal was about \$_____ million. Since then we have received, in fees from the Canal, about \$_____ million. The payments that Panama receives will come from revenues the Canal collects -- on a normal commercial basis. Not one dollar of our tax money is involved.

The next question is about the stability and the capability of the Panamanian government -- and whether we can be sure the government will keep it open, efficient,

neutral, and secure.

Regimes have often changed in Panama -- but for 75 years, no Panamanian government has wanted to close the Canal.

Panama wants the Canal open and neutral even more than we do.

The Canal's continued operation may be important to us,

but it is much more than that to Panama.

To Panama, it is crucial.

The only threat of losing the Canal comes not from the government of Panama, but from dissidents who are frustrated by the old Treaty.

And the only threat to efficient operation of the Canal would be our short-sighted refusal to train Panamanians to run it.

Although the Canal is an engineering feat of great complexity, it is superbly designed for simple operation -- and we have 22 years, during which we and the Panamanians will run the Canal jointly, to be sure they know how.

This is
from
McCullough
↓

The Canal is a bridge of water, and as such dependent upon fine balances of natural resources, complex engineering, and a large dedicated personnel with innumerable special skills. Ships are carried up and over the land barrier, lifted 85 feet above sea level through a system of giant locks, these equipped with tremendous steel gates, ingenious safety mechanisms, control devises, literally thousands of moving parts. The Canal is a huge hydroelectric dam and power station, a water utility, a railroad, port facilities, hospitals, medical research laboratories. And when the time comes, the Canal must be turned over to a generation of Panamanians who don't just know how to run the Canal, but who have technology in their bones. Their technical-managerial competence must be second to none -- and we can be sure it will be.

There is a final question, about the way these Treaties have been negotiated. Some people wonder whether we have given in to the threat of violence -- and whether it signifies that our nation is losing its national will, and retreating from the world.

Neither we nor the Panamanians would be negotiating these Treaties if they were not in our best interests. And from beginning to end, the Panamanian negotiators have acted in complete good faith. Throughout the last 14 years there have been no threats, no implied statements that if we don't approve the Treaties, there might be violent consequences. Whenever there has been an inclination on the part of dissident groups who want to disrupt relations, the government has acted properly and has helped to restrain that threat.

General Torrijos has gone a second mile in making sure that not only does he approve the Treaties, but that the people of his nation do as well. They had the right to vote

in an open and free referendum monitored by the OAS, and they gave the Treaties their overwhelming support.

Both sides have negotiated in good faith, and we publicized the terms of our agreement as soon as we had worked them out.

But there is something even more important about the meaning of the Treaties -- what it says about our national strength and weaknesses. I think part of the emotional commitment to the Canal grows from our embarrassment as a nation in Vietnam, and the sense that we have to show our strength, and our ability to stand firm no matter what the challenges or consequences might be.

I too look on the Panama Canal Treaties as a test of national strength, and a show of our confidence as a nation -- confidence to act, when necessary, but not compelled to flaunt our strength by running over a little country.

There are people who are so insecure and so weak that they can't ever admit a mistake, who can't ever treat a

weaker person as an equal. The ultimate result is to become a bully. But a person who is genuinely strong, who knows that he is strong, who can admit a mistake without embarrassment, because he's sure of himself, can treat weaker neighbors with a sense of respect and equality. That is a sign of true greatness, and of true strength.

I think that to lash out at a weaker country in a jingoistic way is not a sign of greatness or strength. I think our country will be much greater in the eyes of the world if the treaty should be ratified overwhelmingly. I think that we'll be weakened in the eyes of our peers -- the strong nations, Britain, France, Germany, Japan, Canada -- if we fail to take this action. There will be a general sense that the United States is not a great country, in the true inner sense of greatness. There will be a legitimate conclusion reached that we're retaining the aspect of a colonial power when other nations have voluntarily relinquished that.

It was a sign of strength when we withdrew from some of our occupied territories. It was a sign of strength when we didn't punish Japan and Germany after the Second World War, but helped them to rebuild themselves.

I don't think it would be a sign of strength for us to send bombers and troops and personnel carriers and tanks into the Canal Zone to keep the canal open, when we could have kept it open as a partner with Panama.

The Panama Canal is expressive of one of the oldest, noblest desires in the human heart, to bridge the divide and bring people closer together. These Treaties are expressive of that same desire. They are a progressive step, an act of strength and confidence, and of good will.

The new Treaties are a measure of our greatness as a nation, which goes beyond mere power or wealth or size. For they demonstrate that America is big enough and great enough to resolve an issue such as this one in an atmosphere of mutual trust and respect and in recognition that every nation -- small and large alike -- ought to have the right to determine its own destiny. They demonstrate that America is big enough to take a stand for what is decent and right -- and prudent enough to base its foreign policy not on what may have been appropriate 75 years ago, but on a clear, fair and rational assessment of where our national interests rest today.

"We cannot avoid meeting great issues," said the Canal's builder, Theodore Roosevelt. "All that we can determine for ourselves is whether we shall meet them well or ill."

I trust that we shall meet this great issue well.

#

THE PRESIDENT HAS SEEN.

cc Tody
Fallows
J

David McCullough • West Tisbury, Massachusetts 02575

October 21, 1977

Dear Mr. President:

Rosalee and I were so very pleased and honored to be able to meet you last Friday, and especially on such a propitious day in your campaign for the canal treaties. Your generous inscription on the newspaper picture of you and General Torrijos, your thoughtful remarks about my book, pleased us more than I can say, and we thank you most sincerely.

May I add also that after so many years of studying and writing about dead Presidents, I found it an enormous thrill to see and shake the hand of a live one.

During our afternoon at the White House, I had, as perhaps you know, a chance to talk at some length with Landon Butler and Joseph Aragon, and it was Mr. Butler's suggestion that a letter covering some of my thoughts on the Panama issue might be of help to you in the months to come.

Mr. President, I am concerned about a certain lack of creative fervor in what has been said in behalf of the treaties thus far. The opposition has a "cause", their response is full of emotion, even passion, while the arguments for the treaties, however intellectually solid, remain for many people largely an abstraction.

This is not to discount for a moment the powerful logic of the case for the treaties. Indeed, the more we are told of the hard practicalities involved -- political, military, operational -- the more convincing they become. They virtually speak for themselves, if presented in language of the kind the layman can understand, and when set forth for the country by a Commander-in-Chief who is himself a former naval officer and engineer their effect cannot help but be profound, perhaps even deciding.

But how much more important and useful this great national debate could become, how much better off we will all be for it, if the treaties are seen also as the expression of a high ideal, if in making this historic decision we can sense what Theodore Roosevelt called "the lift toward nobler things which marks a great and generous people."

There are, as I know you appreciate, all kinds of reasons

why suddenly we seem to care so intensely about the canal, a subject most of us have never given much thought to until lately. To say that the opposition springs from some vague or naive nostalgia for a simpler past is really to miss the point. There is a grandeur about the Panama Canal and a grandeur of a kind we like to think of as particularly American. The canal is a triumph of an era we remember fondly for its confidence and energy, youth and sense of purpose. The canal is something we made and have looked after these many years; it is "ours" in that sense, which is very different from just ownership.

It works, still. Despite time and change it remains a huge American Success, and this just now, in the aftermath of Vietnam, is of psychological import. (There is a haunting kind of irony to the realization that we went into the jungles of Vietnam to rescue a disastrous French failure, just as once we went into the jungles of Panama to rescue a disastrous French failure.)

Probably it is the aura of power surrounding the canal that has the most to do with our feelings about it. We have known since school days of the tremendous powers called forth to build it -- the power to eradicate disease, the power to literally move mountains. There is its own miraculous power to lift and transport ships from ocean to ocean. It is both the symbol and implement of sea power. So when we talk of the canal, whether we are old, young, for or against the treaties, we are talking about very elemental feelings about our own strengths, and it is this, I think, that makes the thought of giving it up or giving it away so disturbing to many people who fail to see the treaties as a positive step.

Still, by the same token, we want, all of us, a more humane and stable world.

We believe in good will, as well as strength.

We want to be builders no less than did that generation which created the canal.

So for all these reasons it is imperative that the case for the treaties be expressed in the most positive terms, and with eloquence. It is because the canal is of such critical importance, because it must be kept secure and in use, because we revere it as a monument to the human spirit, that the long outmoded Bunau-Varilla treaty has to be replaced and the nature of our presence in Panama brought up to date. Our decision must not be a grudging concession, but a far-seeing, constructive innovation. This, we should be able to say, is something we do because we know it is right. This is not merely the surest way to "SAVE OUR CANAL", it is the strong, positive act of

a still-confident, still-creative, still-purposeful people.

Our sanction of this unprecedented step can become a
source of national pride and self-respect in much the way
building the canal was. It is the spirit in which we act that
is so very important. The way we say yes to the treaties, the
words we use, can, on the one hand, influence how we stand in
the eyes of all Latin America, but it can also influence how
we stand in our own eyes, and that too, I know you will agree,
is "in the national interest."

I think of what Theodore Roosevelt might say were he alive
today. (I have a small bust of him which looks down on me
from the top of a file cabinet as I write this.) An ardent
reader of history, he knew the world has its moods. He saw
history itself as a force and the history of our own time
and the changes it has brought would not be lost on him. He
adored and drew inspiration from the great deeds of the past
and was often saddened by the passing of an era before his
eyes -- the vanishing of the great frontier days of the West,
for example. But change was inevitable, he knew, and necessary.
Change was growth. The true conservative, he once remarked,
keeps his face to the future.

He believed down to his boots in a strong Executive, in
presidential leadership, and the fact that the treaties reflect
the policies and intentions of three prior administrations,
in addition to your own, would carry enormous weight with him.
It was he who recognized the importance of Captain Mahan's
thesis well before anyone else, and so it is hard to picture
him dismissing or discounting such testimony to the military
value of the treaties as voiced by the Joint Chiefs.

But were he to endorse the treaties, as I am quite sure he
would, it would be mainly because he would see the decision
as one by which we are demonstrating the kind of power we wish
to be. For Roosevelt the canal was a gateway to the very diff-
erent and uncertain new world of the new twentieth century,
a world in which the United States had no choice but to play
a major part. "We cannot avoid meeting great issues," he said.
"All that we can determine for ourselves is whether we shall
meet them well or ill."

Mr. President, the Panama Canal is a vast, heroic express-
ion of that age old desire to bridge the divide and bring
people closer together. The task now, it seems to me, is to
give the country the conviction that this too is what the treat-
ies are all about.

Sincerely,



THE WHITE HOUSE

WASHINGTON

November 3, 1977

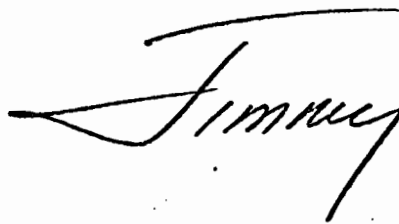
To David McCullough

Thank you for your very thoughtful and helpful letter. If we are successful in achieving ratification of the new Panama Treaties, your work will have helped make it possible.

I hope that, like President Roosevelt before me, I can meet this issue well.

Please give my best to Rosalee.

Sincerely,



David McCullough

Box 148

West Tisbury, Massachusetts 02575

*Your letter is a beautiful
expression of idealism and
legitimate pride - & strength.*

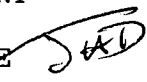


THE WHITE HOUSE

WASHINGTON

January 30, 1978

MEMORANDUM TO THE PRESIDENT

FROM: JERRY DOOLITTLE 
SUBJECT: Panama Canal Speech

Enclosed are the McCullough letter, the outline with your notations, and the Canal defense quotes. On running through the original draft, I find that most of the points were, in fact, adequately covered in the version Jim did today. But there are a few things, and so I also enclose a marked copy of last Thursday's draft.

On page 6, the highlighted lines seem to me useful to deal with the irrational but widespread fear that enemy warships will somehow outflank us via the Canal.

On page 12, top, the indicated language is a worthwhile reminder that we're not giving up prime real estate, after all.

On page 12, bottom, and page 13, I think the marked passages make the point that we're not knuckling under to pressure better than the new draft does.

The marked passage on 14 addresses the often-heard argument that Panama might, in a fit of pique, close down the Canal.

I. Canal Defense Excerpts from the Panama Canal Treaty:

"The United States of America and the Republic of Panama commit themselves to protect and defend the Panama Canal. Each Party shall act, in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or of ships transiting it.

"For the duration of this Treaty, the United States of America shall have primary responsibility to protect and defend the Canal. The rights of the United States of America to station, train, and move military forces within the Republic of Panama are described in the Agreement in Implementation of this Article, signed this date. The use of areas and installations and the legal status of the armed forces of the United States of America in the Republic of Panama shall be governed by the aforesaid Agreement."

II. Canal Defense Excerpts from the Neutrality Treaty:

"The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral, notwithstanding the termination of any other treaties entered into by the two Contracting Parties."

III. Canal Defense Excerpts from Statement of Understanding:

"Under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal (the Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

"This does not mean, nor shall it be interpreted as a right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the Canal will remain open, secure and accessible, and it shall never be directed against the territorial integrity of political independence of Panama.

1/25/78

*Follow
Porky
J*

SUGGESTED OUTLINE: PANAMA CANAL SPEECH

General Guidelines

1. The talk should be short, 10-15 minutes.
2. The tone should be confident, positive, and forward looking rather than dwelling on past sins in our dealings with Panama.

*Concise - tough-
pointed
one idealistic part - use
McCullough's letter for
idea*

I. A brief history (1 minute)

- A. Background of the 1903 treaty.
- B. Magnitude of the engineering achievement.
- C. The 1959 and 1964 troubles, and how they led a series of American Presidents to seek a modernized treaty.

II. What the new treaties do (2 minutes)

A. Partnership with Panamanians.

1. Training in Canal operations.
2. Collaboration in the new agency.
3. Toll-sharing.
4. Sharing of defense responsibility.

B. Guarantees of perpetual neutrality after 1999. ✓

C. The sea-level canal. ✓ "No bidding by outsiders to parallel & bypass U.S. Panama Canal"

*Have format
a) concern or
b) refutation
(a series)*

III. Answers to the following main objections to treaties:

A. The Canal is ours; we bought it and paid for it, so why should we give it away?

B. We will no longer be able to defend the Canal, and the Treaties will hurt our national security. *McCullough's 50,000 men*C. Our ships could not go to the head of the line in time of emergency. *We want partnership - not military confrontation in Panama - JC's 100,000*D. The Treaties will create a power vacuum, which the Communists could fill. They are another sign of our retreat from world power and another opening for our enemies. *Quote treaty & joint statement*
Disruption of our relations in Panama & Western Hemisphere nations = opening for Communists

- US never had sovereignty*
1/2 want canal open
neutral
- E. The Panamanians are incapable of operating the Canal. *Engineering feat - simple 22 years many now*
- F. They could close it at will -- and might, because of their political instability. *Good faith of Panama govt.*
- G. General Torrijos is unpredictable, unreliable, and a violator of human rights. *Record - 75 yrs. Senators, others, fearably impressed took case to people in referendum - 0.5 months*
- H. The Treaties are costing our taxpayers an arm and a leg. *Fees are source of payments to U.S. & to Panama. Orig investment vs total receipts*
- I. We have negotiated in secret and have succumbed to political blackmail. *Negotiated in good faith Open principles - Terms publicized when known*
- J. The Treaties take away our option to build a sea-level Canal some place besides Panama. *Studies for 75 years. Ampheroza recent (LBJ) study*

IV. Why we should have the new Treaties.

- A. For national pride -- ours and the Panamanians.
1. We should have the same 20th century regard for others as we showed in another recent treaty, the Alcan pipeline agreement. In today's world, a "Pipeline Zone" would have been unthinkable.
 2. We are mature and confident; fairness is a function of greatness. Also, our strength has always rested on our ability to adapt to change.
 3. Panamanian pride deeply engaged, particularly since the referendum.
- B. Better economic, commercial, and political relations with Latin America and whole third world through elimination of last colonial vestiges.
- C. Treaties necessary for national security.
1. They ratify present rather than past realities, and are hence more likely to be observed.
 2. They make the Panamanians our partners in Canal's defense, rather than indifferent bystanders.
 3. Thus they make it easier, not harder, to defend Canal.

PANAMA CANAL SPEECH

/
Page 6, 12, 13,
+ 14 -

Good evening.

For fourteen years, under four Presidents, of both political parties, our country has been trying to come to an agreement with Panama over the future of the Panama Canal.

Now the job is almost done. We have carefully negotiated treaties, which need only the approval of the Senate to be final.

These treaties are backed by every living ex-President and Secretary of State. They are backed by every one of the Joint Chiefs of Staff, by thoughtful men of both political parties, by the people of Panama, and by the vast majority of American businessmen who have dealings with Latin America.

They are backed, overwhelmingly, by world public opinion.

They are opposed by Latin American leftists, who would profit from disorder in Panama.

And they are opposed by some of my fellow Americans.

Since these American critics would hardly profit from disorder in Panama, I believe they must be simply misinformed.

I am here tonight to correct that misinformation.

The most serious inaccuracy spread by critics of the Panama Canal treaties is that they will damage our national security.

The opposite is true.

They make our nation more secure.

With a hundred thousand American troops fighting in the jungles of Panama, I could defend the Canal against all probable attacks, and most improbable ones.

The treaties let me do that, and I will do it if necessary.

But the treaties also ensure that it won't become necessary.

The treaties offer us a far better way. That way is to enlist the government of Panama and the responsible majority of Panamanian citizens in a partnership with us to protect the Canal.

The Panama Canal was built and operated under the terms of a treaty three-quarters of a century old -- a treaty never signed by a Panamanian.

Panamanians have considered that treaty unfair to them for the whole 75 years, even though it was twice revised to make it slightly less one-sided.

Finally that dissatisfaction boiled over into violence. There was rioting in Panama in 1959, and again in 1964. Three American soldiers and 21 Panamanians lost their lives, and President Johnson considered that matters had gone far enough.

After consulting with former Presidents Truman and Eisenhower, he committed this country to begin work on a modern treaty with the Republic of Panama.

The result of those long years of work is now before the Senate: a treaty covering the operation of the Canal for the rest of this century, and a second treaty guaranteeing its neutrality forever.

The first treaty deals with the main cause of Panamanian discontent -- the existence of a 10-mile-wide zone, administered by a foreign power, right through the middle of their country.

We don't need such a zone, any more than we needed a 10-mile-wide strip through Canada when we recently concluded an agreement with that country for a TK-mile international pipeline.

The new treaty gives us what we do need, though -- the right to station troops in Panama for the rest of the century, and to use whatever territory those troops need for the proper defense of the Canal.

The treaty also sets up a new agency of the U.S. Government to run the Canal, so as to assure United States

control of its operations for the rest of the century.

Panamanians will participate with us in the new agency, and will play an increasingly important role in running the Canal through the lifetime of the treaty.

They will also profit from the Canal's operations.

In simple terms, the more money the Canal takes in, the more Panama will get.

By giving Panama an important stake in the Canal's defense and operations, then, the new treaty changes her from a passive and sometimes hostile bystander into an active, interested partner.

We know where the old treaty will lead us, because it has led us there in the past.

It leads to confrontation.

But the new treaties lead to cooperation -- and it is out of cooperation, not confrontation, that true security grows.

Critics of the new treaties also claim that they will create a power vacuum, which the communists could fill.

I can't help wondering what the critics mean by this.

Do they suppose that China or Russia might want to take over the Canal's operation? Neither country has ever shown the slightest interest in doing so, and the idea would be absurd. Ships of both countries can use the Canal now, and could use it under the new treaties as well.

In wartime, our enemies have had the right to use the Canal in the past, and would keep that right under the new treaties. But the right doesn't mean much. To use a canal, an enemy ship has to get to it. To get to it, a ship would have to run the gauntlet of our guns in international waters.

Perhaps the critics are afraid that Cuba would rush to fill the so-called "power vacuum" they fear would be left by the new treaties?

Again, this fear misses the mark by 180 degrees.

Failure to pass the new treaties is what might bring Cuba rushing to fish in troubled waters. The communists see this clearly. They oppose the new treaties.

The communists know full well that their best opportunity to gain influence in Panama would come through disruption of our own friendly relations with Panama and the other nations of the Western hemisphere.

I know of no better way to disrupt those relations than by rejecting the new treaties.

And the critics continue.

Suppose war does come some day?, they say. How can we be sure our vessels of war will be able to jump the line of waiting ships and get through the Canal in a hurry?

We can be sure by ratifying the new treaties.

The treaty on neutrality guarantees us the right to go to the head of the line -- the lawyers' phrase for it is "expeditious transit".

I'd like to take a moment to read you the exact language:

"In recognition of the important contributions of the United States of America and of the Republic of Panama to the construction, operation, maintenance, and protection and defense of the Canal, vessels of war and auxiliary vessels of those nations shall, notwithstanding any other provisions of this Treaty, be entitled to transit the Canal irrespective of their internal operation, means of propulsion, origin, destination, armament or cargo carried. Such vessels of war and auxiliary vessels will be entitled to transit the Canal expeditiously."

The language is a little fancy, I know, but it's clear enough.

Not for the treaty's critics, though. They worried about just what "expeditious transit" meant. Did it mean one thing to us, perhaps, and something else entirely to the Panamanians?

And so I went back to Panama's head of state, General Omar Torrijos, and we spelled out just what we both meant, and we signed that statement of understanding.

That statement says the expeditious transit, and I quote, "is intended, and it shall so be interpreted, to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly."

That should be clear enough for anybody.

But the critics are still not quiet.

What if we want to build a new, sea-level canal between the Atlantic and the Pacific some day?, they say. These new treaties would force us to build any such canal in Panama rather than in some other Central American country. They take away our freedom of choice.

True enough -- but they don't take away any choices that we haven't already given up. The question of a sea-level canal has been studied over and over, for more than 75 years. The most recent study, carried out at President Johnson's direction, backs up most of the others. It concluded that the only logical site for a sea-level canal was Panama anyway.

What the new treaty does is to reserve this only logical site for the United States, rather than any other power, in case we ever decide to build such a canal.

It means that there could be no bidding by outsiders to parallel and bypass a U.S.-Panama Canal.

Once again, the treaties do not work against our best interests. Once again, the treaties protect those best interests.

Still, the critics say, what about this? The Canal is ours. We built it, we bought it, we paid for it, and so why should we give it away?

This kind of understanding of history wouldn't get you a passing grade in a high school history course.

We bought Alaska from Russia, and no one has ever disputed that. But we didn't buy the Canal Zone, from Panama, and we never owned it.

Right from the beginning we made an annual payment to Panama for the use of their territory. You don't pay rent on property you own.

All we have under the old treaty are certain rights in the Canal Zone which the United States can exercise "as if it were sovereign." The Zone has never been anything but Panamanian territory. We can't give back what we never had.

The fact is that the new treaty lets us keep on using whatever parts of the Canal Zone we need to defend and operate the Canal until Panama takes over those responsibilities in the next century. And we can keep on using our military bases, too.

This is all we need. To cling to jurisdiction over the rest -- most of it jungle anyway -- would only inflame our relations with Panama and endanger the Canal's future.

There could be no greater threat to the Canal's security than insisting on an outdated treaty which the Panamanians despise.

Is that so?, the critics of the treaties ask.

You mean we're backing down in the face of blackmail by a few Panamanian rioters and potential saboteurs. We've lost our national will? We're retreating from world power?

I feel sorry for people who think that way.

I feel sorry for those so insecure that they see a threat to our nation's manhood in tiny Panama.

We no longer need to strut and show our muscles like some schoolyard bully. Instead, we should let our strength give us the confidence to be gentle and fair with weaker nations.

We have hardly been pushed into the new treaties.

We have been 14 years in the search for a fair way to resolve our differences -- and there have been no major disturbances in Panama during all that time.

Both sides have negotiated in good faith, and we publicized the terms of our agreement as soon as we had worked them out.

It has been a slow, deliberate process, aimed at solving a political problem by political means. Fourteen years is no rush to judgment.

Let me answer another objection raised by the critics -- this time a financial one. We are paying Panama to take the Canal back, the critics say. And it's costing the taxpayer an arm and a leg.

This isn't so.

Payments -- both to the United States and to Panama -- will come out of fees charged to the users of the Canal. No Congressional appropriation of funds is involved. And our original investment in building the Canal has long since

been paid back from users' fees. (Check)

The fact that Panama will get substantial revenues from Canal tolls is an added guarantee that another one of the critics' fears will never come to pass.

This is that Panama could close the Canal at will -- and might one day, if the present regime changes.

Regimes have often changed in Panama -- although General Torrijos's government has lasted much longer than most. But for 75 years, no Panamanian government has wanted to close the Canal.

Panama wants the Canal open and neutral even more than we do. The Canal's continued operation may be important to us, but it is much more than that to Panama.

To Panama it is crucial.

Much of her economy flows directly or indirectly from the Canal -- as do the economies of her neighbors.

Panama would be no more likely to close down the Canal than we would be to close down the Interstate highway system.

But the Canal might close down anyway, the critics argue -- even if the Panamanians don't want it to. Once we pull out, where will they find the technicians needed to run the Canal.

The answer is that some 75 per cent of the employees who keep the Canal open today are already Panamanians. That percentage will go up steadily as we train Panamanians over the rest of this century to take over the top posts.

The Panama Canal was the greatest engineering feat the world had ever seen -- a feat all the more astonishing for the simplicity of its design.

The Canal can lift ships from one great ocean to another, over the spine of our two continents.

Mountains were moved in its building; disease was conquered; the world was brought closer together.

In these senses the Canal will always be ours -- a triumphant statement of the boundless energy with which America burst upon the 20th century.

"We cannot avoid meeting great issues," said the Canal's builder, Theodore Roosevelt. "All that we can determine for ourselves is whether we shall meet them well or ill."

One of those issues is upon us now.

As the genius of the Canal builders once drew us closer to the other nations of the world, so our generosity can draw us closer to our friends once more.

I trust that we shall meet this great issue well.

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